

Audit's[®] NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

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INVESTMENT OUTLOOK: THIRST FOR EQUITIES CARRIES PROPERTY TRUSTS TO RECOVERY HIGH

A strong investor preference for equities carried our index of property trusts above 100 for the first time since June 1974 - and above the index for the Dow-Jones Industrials for the first time since then, too. The graph on page 2 dramatizes this well-established recovery trend. And since property trusts once sold for about 200 on the index, there appears to be further upside potential since book value of this group has not been eroded seriously.

Mortgage trusts are another story, though. The latest index reading of 70 is far below its historic high of 442 and while it's up from the Dec. 1975 low of 43, shareholders' equity has been decimated in this group and there's hardly any hope these trusts - as a group - will ever regain their heights.

All trusts rose 2.9% in the latest month, vs. a 2.3% decline in the Dow-Jones Industrials. Realty trusts thus made up some of the ground lost in January and ended only 0.3% down for the year to date, compared to a stunning 9.4% decline in the DJI.

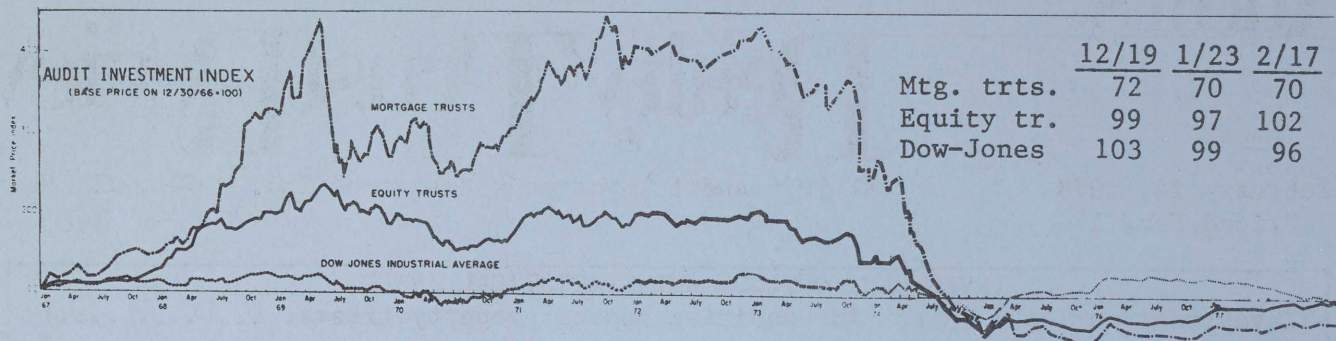
Can this divergence continue? With the Dow-Jones Industrials now yielding about 6.1% and selling slightly below book value, these large industrial stocks offer strong competition to real estate trust shares. And since they pay only about 50% of earnings as dividend vs. the 90%-plus payout of real estate trusts, dividend coverage is strong.

Yet investors are bidding up prices of property trusts especially because they sense that values of underlying properties are rising, that book value may thus be understated, and that sooner or later today's rents on yesterday's bricks-and-mortar

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will produce rising dividends and/or sellout values. This is why C.I. Realty gapped to a new high of 12-3/4 Tuesday, Feb. 21 even though it isn't paying a dividend. It owns two major Manhattan office buildings and with the Manhattan office market tightening dramatically, there's speculation that underlying values may be well above the stated \$16.70/sh. book value. Moreover a large real estate operator recently bought about 11 1/2% of shares. This prospect of higher values is also the reason Federated Reinsurance Corp. of Houston is offering to buy 335,000 sh. of Property Trust of America at \$6/sh., vs. 4-3/4 bid before the offer. Federated previously had bought 138,625 sh. and a successful tender would boost its stake in PTA near 20%. PTA beat off an earlier tender at \$4 and trustees urge rejection of this offer.

Even at today's prices the investor has three main strategies possible to hedge against inflation with realty trust shares. They are:

1. Shares of trusts paying good current dividends. These trusts should hold good quality proven properties capable of generating fairly strong dividend increases over the longer term. We favor trusts with major exposure to shopping centers. Issues fitting this mould include ConnGen Mortgage & Realty, Federal Realty, General Growth Properties, and Washington REIT. Pennsylvania REIT and First Union RE can be used but seem to have smaller dividend growth potential. This group should yield 8% on current prices and sell at or above stated book value.

2. Shares of trusts paying sub-par dividends. Here we aim for trusts yielding about 5%-6% at market and also earning in that range on their book value -- so that they sell at 40% or more below book value. Essentially this group should pay us while we wait for them to get yield on their book value back to a normal 8%-10% range, at which point they should sell close to book value and produce longer-term capital gains plus the continuing income along the way. Our favorites are Baird & Warner Mtg., Hospital Mtg. and Pacific Southern Mtg. There are many others fitting this concept, including BankAmerica Realty, ICM Realty, Investors Realty, Henry S. Miller, United Realty. A variation would be institutional REITs selling about 20%-30% below book: MassMutual Mtg., Northwestern Mutual Life Mtg., PNB Mtg. and Wells Fargo Mtg.

3. Non-dividend payers with well defined recovery prospects. Many trusts fall into this group; follow RELATIVE APPEAL RANKINGS for suggestions.

NON-EARNING ASSETS FALL 2.9% IN MONTH IN FIRST TALLY OF 142 TRUSTS

Our tally of nonearning assets for February shows:

	Number	---Invested assets---		% Non- and	Month %
		Non/Low Earn.	Total	low-earning	change
TOTALS/AVERAGES.....	142	\$7,547 M*	\$14,316M	53%	-2.9%

* Includes \$1,241 million low-earning or 8.7%.

DIVIDEND TRENDS: FEBRUARY HIGHLIGHTED BY ICM RESUMPTION, QUIET STEADINESS

February was quiet with few trusts reporting dividends but one was ICM Realty which resumed payment after nearly a two-year hiatus. The 23.6¢ represents the excess of fiscal 1977 (Nov.) taxable income over tax loss carryforwards from 1976. This is a yearend cleanup rather than resumption of regular quarterlies. ICM's bank credit agreement bars disbursing more than taxable income. Thus consideration of 1978's dividend hinges on the full year's taxable income. Two increases were made. Denver REIA raised 20% because all its properties are doing better including those which were expanded. Property Trust of America boosted 1¢ for the second straight quarter reflecting continued improvement from its property portion of holdings and some reduction of nonearning assets. Realty ReFund Trust cut slightly as further rising interest rates narrowed its spread.

	Up	Same	Down	Total	%Change
Feb. 2	7	1	10		+ 1%
Year 6	18	1	25		--
-----From previous year-----					
Feb. 5	4	1	10		+ 7%
Year 12	12	1	25		--

Trust	Record date	Latest	Previous	Dividend/share--	Net change--	Special	Year Ago	% Change
BankAmerica Rlty.	3/3	\$0.15	\$0.15	\$ --	NC	--	\$0.13	+15
Consol. Capital Rlty.	2/17	0.17M	0.17	--	NC	--	0.1684	+1
Denver REIA	E3/15	0.18	0.15	+0.03	+20	--	0.15	+20
ICM Realty	3/7	--	--	--	--	\$0.236	--	--
Investors Realty	3/10	0.125	0.125	--	NC	--	0.00	--
Nationwide REI	2/21	0.04	0.04	--	NC	--	0.04	--
New Plan Realty	2/24	0.08M	0.08	--	NC	--	0.075	+7
Property Capital	2/28	0.30	0.30	--	NC	--	0.30	NC
Property Trust Amer.	2/24	0.07	0.06	+0.01	+17	--	0.05	+40
Realty Income Trust	3/3	0.35	0.35	--	NC	--	0.35	NC
Realty ReFund Trust	2/28	0.53	0.55	-0.02	-4	--	0.56	-5
Terrydale Realty Tr.	2/17	0.37	0.37	--	NC	--	0.37	NC
Washington REIT	3/6	0.45	0.45	--	NC	--	0.44	+2
TOTALS(10 Trusts)b		\$2.565	\$2.545	\$+.02	+1%		\$2.39	+7%

b-Excludes monthly and special dividends. NC-No change. M-Monthly. E-Estimated record date. Trusts with dividend reduced from previous quarter underlined.

COMPARATIVE TRUST GROUP AVERAGE 02/17/78

GROUP	NON-QUAL	QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2154	11.43	0.99	1.26	12.67	2.3	-0.4	10.1	7.8	10.8	11.0	634.7
-SMALL	7	0	7	889	12.53	1.05	1.14	11.79	0.0	0.2	10.3	8.9	-5.9	9.1	69.2
-SUBOR LAND	3	0	3	1862	15.73	1.01	1.55	11.58	4.5	-2.1	7.5	8.7	-26.3	9.9	54.0
AVERAGE 3 PROP GROUPS			31	1840	12.09	1.00	1.25	12.36	2.0	-0.5	9.8	8.1	2.3	10.4	757.9
PROP & MTG COMBINATION	15	9	24	2145	9.80	0.32	0.35	6.85	5.7	2.6	19.2	4.7	-30.1	3.6	411.0
SHORT-TERM MTG	11	0	11	1756	14.77	0.52	0.57	8.34	3.7	0.4	14.7	6.3	-43.5	3.9	187.3
LONG-TERM MTG/PROP	13	0	13	3440	14.77	1.00	0.95	11.25	2.1	-4.0	11.8	8.9	-23.8	6.4	500.3
MTG/FCLSD PROP-MISC	11	7	18	2440	3.59	0.00	0.34	2.38	-1.3	-2.7	6.9	0.0	-33.6	9.6	103.6
-BANK	0	18	18	2040	2.27	0.00	0.16	2.31	2.3	2.5	14.1	0.0	1.4	7.2	72.6
-INDEPEND	0	27	27	3355	-0.08	0.00	0.57	1.45	8.3	2.9	2.5	0.0	-0.0	-0.0	104.6
AVERAGE 3 MTG/FCLSD PROP			63	2718	1.64	0.00	0.39	1.96	2.8	0.7	5.0	0.0	19.3	23.7	280.8
OVERALL AVERAGE	81	61	142	2421	7.52	0.40	0.63	6.40	2.9	-0.3	10.0	6.3	-14.9	8.5	2137.3
DOW-JONES INDUSTRIAL AVERAGE								89.86	752.61	-2.3	-9.4	8.4	6.1		

*Latest quarter annualized

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	CHANGE	YIELD
ATICO MTG-C#	OC	6.75	'82f	16.9	68.25	2	9
BT MTG INV-C	OC	5.75	'82	20.0	67.00	0	8
BARNETT MTG-C	OC	6.75	'91	17.3	30.00	11	DEF
BARNETT MTG-CD	OC	8.50	'98	30.0	44.00	18	DEF
BARNETT-WIN-CE	OC	8.25	'98	30.0	54.00	1	DEF
BAY COLONY PROP-C	NY	8.50	'81f	23.0	84.00	9	10
CHASE MAN TR-A	NY	7.88	'78	36.7	97.25	0	8
CHASE MAN TR-C	NY	7.50	'83	41.2	69.50	6	10
CITIZNSO RLTY-C	OC	6.75	'78	30.0	38.00	0	DEF
CITZNS MTG INV-B	OC	8.50	'80	20.0	36.00	12	DEF
COLWELL MTG-B	OC	8.20	'80	25.0	41.00	13	VJ
CONT ILL RLTY-B	NY	7.63	'79	25.0	89.00	3	8
COUSINS M&E-C	NY	6.50	'82f	30.0	56.25	12	11
FIRST MTG INV-A	OC	6.75	'82	12.6	43.00	16	15
FIRST MTG INV-A	OC	8.25	'77	0.4	70.00	7	11
FIRST NEWPORT-B	OC	8.75	'79	7.0	75.00	4	11
FIRST VIRGINIA-B	OC	8.72	'80	5.0	75.00	2	10
FIRST VIRGINIA M	OC	4.00	'80	15.0	63.00	-3	6
CMR PROPERTIES-C	AS	7.70	'80	20.0	84.50	1	9
GREAT AMER MGMT-B	OC	7.55	'79	25.0	12.00	9	VJ
GREAT AMER MGMT-C	OC	8.75	'83	25.0	9.00	4	VJ
GUARDIAN MTG-B	OC	7.50	'79	25.0	29.00	0	DEF
GUARDIAN MTG-C#	OC	6.75	'86	8.6	19.00	0	DEF
IDS REALTY-H	OC	---	---	169.8	65.00	-4	NC

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	CHANGE	YIELD
INSTITNL INV-B	NY	7.88	'80	20.0	84.25	4	9
JUSTICE MTG-B	OC	7.75	'79	9.6	40.00	21	VJ
LMI INVESTORS-C	NY	6.75	'82	9.2	72.00	2	9
MIDLAND MTG-B	NY	8.00	'80	17.1	71.13	-1	11
MTG INV WASH-B	OC	9.25G	'80	15.0	62.00	0	14
NJB PRIME INV-C	OC	7.00	'80	12.9	23.00	15	DEF
NATIONWIDE RE-C	OC	7.00	'91	6.5	70.00	0	10
NO AMER MTG-B	OC	8.50	'87	12.1	81.00	3	10
NO AMER MTG-C	NY	5.50	'79	16.3	92.50	1	5
SAUL (B.F.)-C	NY	8.50	'80	25.0	90.63	0	9
STATE MUT INV-B	NY	9.00	'80f	6.2	93.00	2	9
SECURITY MTG-#	AS	7.25	'82	50.0	88.00	3	8
SECURITY MTG-C#	OC	6.00	'82	17.1	69.00	3	8
TRI-SOUTH MTG-B	NY	7.75	'80	25.0	65.50	17	DEF

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$39 TILL 9/1/78 WHEN PRICE MAY BE ADJUSTED. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. F-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE RATE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES. A-E: 6-7/8, 7-1/8, 7-3/8, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.
X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.
#-MAY BE USED AT PAR TO EXERCISE WARRANTS.
F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON	ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MTT VA (MILS)
PROPERTY TRUSTS-OVER \$25M ASSETS													
AMER EQUITY IT#	O-AEQTS	2497	6.36	0.55	SEP	0.71	5.75	0.0	0.0	8.1	9.6	-9.6	11.2
API TRUST	O-APITS	1012	8.00	0.00	DEC	0.00	3.25	-10.5	-23.5	0.0	0.0	-59.4	0.0
CMNWLTH RLTY #	O-CRTYC	1180	6.86	0.80	AUG	1.01	9.00 X	2.2	0.0	8.9	8.9	31.2	14.7
CONSOL CAP RLY#	O-CCPLS	1989	19.63	2.04	AUG	2.40	26.50 X	0.6	-1.9	11.0	7.7	35.0	12.2
CONT ILL PROP#	N-CIE	4808	20.58	1.28	OCT	1.04	14.38	0.0	-7.2	13.8	8.9	-30.1	5.1
DENVER REIA	O-DENVS	1091	8.01	0.72	SEP	1.28	9.50	11.8	13.4	7.4	7.6	18.6	16.0
FEDERAL REALTY	A-FRT	1357	9.59	1.28	DEC	1.72	15.38	2.5	-5.4	8.9	8.3	60.4	17.9
FIRST FIDELITY#	O-FFITS	866	10.54	0.40	AUG	0.60	7.25	26.1	28.8	12.1	5.5	-31.2	5.7
FIRST UNION #	N-FUR	4241	8.81	1.04	OCT	1.16	12.50	-2.0	-3.0	10.8	8.3	41.9	13.2
FLORIDA GULF#	O-FGLFS	975	15.02	1.28	OCT	1.44	13.75	0.0	-1.8	9.5	9.3	-8.5	9.6
GENERAL GROWTH#	N-GGP	6202	6.34	1.48	DEC	1.72	22.75	-1.1	-5.7	13.2	6.5	258.8	27.1
GOULD INVESTOR#	A-GTR	1174	6.84	0.68	DEC	1.28	7.50	7.1	7.1	5.9	9.1	9.6	18.7
GREIT REALTY #	A-GRT	998	11.11	0.40	JUL	1.56	7.00	5.6	9.7	4.5	5.7	-37.0	14.0
HUBBARD REI	N-HRE	4004	22.10	1.28	OCT	1.48	17.63	-0.7	-0.7	11.9	7.3	-20.2	6.7
NEW PLAN RLTY#	O-NPLNS	1690	3.93	0.96	JUL	0.88	12.25 X	-1.4	0.0	13.9	7.8	211.7	22.4
PENN REIT #	A-PEI	1516	12.11	1.25	NOV	2.35	14.75 X	3.3	3.5	6.3	8.5	21.8	19.4
PRUDENT REIT	A-PRU	3217	2.88	0.20	NOV	0.26	2.63	0.0	0.0	10.1	7.6	-8.7	9.0
REIT OF AMERICA	A-REI	1633	21.05	1.20	NOV	1.31	14.63	-0.8	0.9	11.2	8.2	-30.5	6.2
SAN FRAN RE #	A-SFI	1367	20.09	1.20	DEC	1.07	15.50 X	7.1	2.4	14.5	7.7	-22.8	5.3
UNIVERSITY REIT	O-URETS	1907	8.71	0.96	SEP	1.33	11.25	4.7	7.1	8.5	8.5	29.2	15.3
WASH REIT #	A-WRE	1516	11.55	1.80	SEP	1.76	23.00	-0.6	-4.7	13.1	7.8	99.1	15.2
GROUP AVERAGE		2154	11.43	0.99		1.26	12.67	2.3	-0.4	10.1	7.8	10.8	11.0
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
GENERAL RE #	O-GRELS	557	6.94	0.00	SEP	0.16	5.88	-2.0	-2.0	36.8	0.0	-15.3	2.3
HOTEL INVESTOR#	A-HOT	1545	17.53	1.68	NOV	2.12	17.50	3.7	2.9	8.3	9.6	-0.2	12.1
PITTS & W VA RA	A-PW	1510	22.46	0.56	SEP	0.80	7.13	-3.4	-9.5	8.9	7.9	-68.3	3.6
RE INV PROPS	O-REIPS	480	15.16	1.92	DEC	1.84	20.00	0.0	0.0	10.9	9.6	31.9	12.1
REIT OF CALIF	O-RTCAL	550	9.28	1.20	NOV	1.34	12.50	-3.8	0.0	9.3	9.6	34.7	14.4
TERRIDALE R#	O-TRYLS	336	13.20	1.48	SEP	1.20	14.00 X	-0.9	3.7	11.7	10.6	6.1	9.1
US EQUITY & MTG	O-USEM	1246	3.11	0.48	JUL	0.52	5.50	0.0	0.0	10.6	8.7	76.8	16.7
GROUP AVERAGE		889	12.53	1.05		1.14	11.79	0.0	0.2	10.3	8.9	-5.9	9.1
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
ICM REALTY	A-ICM	3011	14.32	0.24	NOV	1.03	7.50	13.1	7.1	7.3	3.2	-47.6	7.2
JMB REALTY #	O-JMBRS	510	19.19	1.60	AUG	2.42	16.00	4.0	-3.0	6.6	10.0	-16.6	12.6
PROPERTY CAPITL	A-PCL	2065	13.67	1.20	JAN	1.20	11.25	-3.3	-6.3	9.4	10.7	-17.7	8.8
GROUP AVERAGE		1862	15.73	1.01		1.55	11.58	4.5	-2.1	7.5	8.7	-26.3	9.9
PROPERTY & MTG COMBINATION													
BANKAMER RLTY	O-BRLTS	3547	16.55	0.60	JAN	0.72	10.50	-1.2	0.0	14.6	5.7	-36.6	4.4
BRT REALTY	A-BRT	1400	3.58	0.00	AUG	0.00	0.69	-14.8	0.0	0.0	0.0	-80.7	0.0
CONN GEN M&R#	N-CGM	5718	19.18	1.60	DEC	1.76	19.88	6.7	-5.3	11.3	8.0	3.6	9.2
FLATLEY REALTY	O-FLITS	1000	6.84	0.00	SEP	0.12	2.75	-8.3	-15.4	22.9	0.0	-59.8	1.8
INDIANA M&R #	O-INDMS	1154	8.40	0.00	DEC	0.40	3.38	0.0	-3.4	8.5	0.0	-59.8	4.8
INVESTORS RL#	A-IRT	1579	10.40	0.50	AUG	0.00	8.00	14.3	6.7	0.0	6.3	-23.1	0.0
MILLER HENRY S	O-HSMTS	560	16.83	0.80	NOV	0.16	9.75	-2.5	-2.5	60.9	8.2	-42.1	1.0
MORTGAGE GROWTH	A-MTG	2652	10.64	0.48	AUG	0.20	5.75	-4.2	0.0	28.8	8.3	-46.0	1.9
PROP TR AMER	O-PTRAS	2506	7.25	0.28	SEP	0.20	5.88	6.9	14.6	29.4	4.8	-18.9	2.8
REALTY INCOME	A-RTT	1566	11.50	1.40	OCT	0.01	12.88	-0.9	0.0	1288.0	10.9	12.0	0.1
RIVIERE RLTY #	O-RIVI6	783	8.47	0.50	SEP	0.84	5.50	0.0	0.0	6.5	9.1	-35.1	9.9
SAUL (BF) REIT	N-BFS	5850	5.45	0.00	DEC	0.00	4.13	13.8	-2.8	0.0	0.0	-24.2	0.0
US BANCORP #	A-UBT	840	16.40	0.00	NOV	0.32	11.25	13.9	12.5	35.2	0.0	-31.4	2.0
VIRGINIA REI#	O-VARES	1251	10.30	0.40	SEP	0.64	8.00 X	4.5	3.2	12.5	5.0	-22.3	6.2
WELLS FARGO M&E	N-WFM	3911	17.37	1.20	DEC	1.02	12.63 X	-1.5	-4.7	12.4	9.5	-27.3	5.9
GROUP AVERAGE		2288	11.28	0.52		0.43	8.06	3.7	0.0	18.9	6.4	-28.5	3.8
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
BAIRD & WARNER	O-BAIDS	1043	16.76	0.14	JAN	0.00	6.50 X	4.6	8.3	0.0	2.2	-61.2	0.0
CENTRAL MTG	O-CMRTS	775	11.95	0.00	DEC	0.04	4.75	15.0	22.4	118.8	0.0	-60.3	0.3
FIRST CONTNL	O-FCRES	2106	10.28	0.92	NOV	0.92	8.25	3.1	-2.9	9.0	11.2	-19.7	8.9
FRASER MTG	O-FRASS	1038	16.39	1.00	NOV	1.00	11.75	2.2	4.4	11.8	8.5	-28.3	6.1
HANOVER SQ RLTY	A-HSQ	946	10.77	0.00	NOV	0.31	5.38	2.5	2.5	17.4	0.0	-50.0	2.9
LOMAS & NETLIN	N-LOM	3700	27.76	1.68	DEC	1.68	19.88 X	6.1	0.0	11.8	8.5	-28.4	6.1
M&T MORTGAGE	O-MTMS	1482	10.25	1.04	NOV	1.12	10.13	-1.2	1.3	9.0	10.3	-1.2	10.9
MTG TRUST AMER	N-MT	3860	12.11	0.00	NOV	0.25	5.88	2.3	-2.0	23.5	0.0	-51.4	2.1
NATIONWIDE RE	O-NRELS	1047	24.09	0.16	DEC	0.16	7.50 X	0.5	-6.3	46.9	2.1	-68.9	0.7
SUTRO MTG INV	N-SUT	2322	15.34	0.80	DEC	0.48	8.38 X	-3.4	-10.7	17.5	9.5	-45.4	3.1
WESTERN MTG	O-WTGS	1002	6.82	0.00	NOV	0.30	3.38	12.7	4.0	11.3	0.0	-50.4	4.4
GROUP AVERAGE		1756	14.77	0.52		0.57	8.34	3.7	0.4	14.7	6.3	-43.5	3.9
LONG-TERM MTGS & PROPERTIES													
BT MTG INVSTRS	N-BTM	2116	-3.18	0.00	DEC	0.00	1.88	-11.7	-16.4	0.0	0.0	-0.0	-0.0
DELAWARE VLY*	O-DVRMS	904	10.01	1.38	SEP	1.34	13.00	4.0	-3.7	9.7	10.6	29.9	13.4
EQUIT LF MTG	N-EQ	5637	23.71	2.40	JAN	1.92	25.00	3.6	-4.3	13.0	9.6	5.4	8.1
HOSPITAL MTG	A-HMG	1178	22.72	0.60	NOV	0.52	8.88	0.0	-2.7	17.1	6.8	-60.9	2.3
MASSMUTUAL MTG	N-MML	4670	19.44	1.24	OCT	1.26	13.75	-3.5	-10.6	10.9	9.0	-29.3	6.5
MONY MTG INV	N-MYM	8919	9.79	0.92	NOV	0.64	9.25	-3.9	-7.5	14.5	9.9	-5.5	6.5
NOWSTRN MUT MT	N-NML	4758	19.05	1.00	DEC	0.68	10.75	-2.3	-12.2	15.8	9.3	-43.6	3.6
PACIFIC SO MTG	O-PSMTS	800	11.95	0.60	SEP	0.64	7.50	-3.2	11.1	11.7	8.0	-37.2	5.4
PNB MTG & RL#	N-PNI	2437	18.76	0.80	SEP	1.28	10.25 X	2.0	-4.7	8.0	7.8	-45.4	6.8
REALTY REFUND	A-RRF	1309	18.67	2.12	JAN	2.12	21.13	0.6	0.6	10.0	10.0	13.2	11.4
RLTY & MTG PAC	O-RPACS	1890	18.10	1.20	NOV	1.16	12.50	7.5	1.0	10.8	9.6	-30.9	6.4
SECURITY MTG	A-SMO	6487	5.45	0.00	DEC	0.00	2.88	0.0	-4.0	0.0	0.0	-47.2	0.0
UNITED REALTY	A-URT	3610	17.60	0.80	NOV	0.80	9.50	2.7	-3.8	11.9	8.4	-46.0	4.5
GROUP AVERAGE		3440	14.77	1.00		0.95	11.25	2.1	-4.0	11.8	8.9	-23.8	6.4

*NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. -0.0 NEGATIVE BOOK VALUE. VJ-IN BANKRUPTCY REORGANIZATION. ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. P-PHILADELPHIA EXCHANGE. WESTERN MTG. ALSO TRADES ON BOSTON EXCH.

AMERICAN EQUITY INV. & COMMONWEALTH REALTY EARNINGS AND DIVIDENDS TRAILING 12 MONTHS. JUSTICE MTG. CHANGED TO METROPLEX REALTY. CITINATIONAL TRANSFERRED TO BANK-NON QUALIFIED. LMI TRANSFERRED TO MTG. & FORE. NON-QUAL-INDEPENDENT

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
MTG & FORECLOSED PROPERTY-MISC SPONSOR														
AMER CENTURY MI	N-ACT	2607	5.30	0.00	DEC	0.00	2.63	-4.4	-16.0	0.0	0.0	-50.4	0.0	6.9
BENEF STD MTG	N-BSM	1355	0.10	0.00	OCT	0.00	1.63	0.0	0.0	0.0	0.0	1530.0	0.0	2.2
VJCOLWELL MTG	O-CLM	2030	-2.34	0.00	SEP	0.00	0.88	17.3	10.0	0.0	0.0	-0.0	-0.0	1.8
CONT ILL RLTY	N-CLR	2797	2.03	0.00	DEC	0.66	3.38	8.0	4.0	5.1	0.0	66.5	32.5	9.5
FIRST COMMERCE	O-FCRNS	1008	10.99	0.00	SEP	0.00	5.25	10.5	0.0	0.0	0.0	-52.2	0.0	5.3
HEITMAN MTG	A-HTM	3292	2.73	0.00	SEP	0.00	1.25	0.0	-16.7	0.0	0.0	-54.2	0.0	4.1
MIDLAND MTG	N-MMT	2382	0.17	0.00	DEC	0.00	1.38	0.0	10.4	0.0	0.0	711.8	0.0	3.3
MISSION INV TR	A-MIT	1812	4.80	0.00	NOV	0.00	1.63	-6.9	-6.9	0.0	0.0	-66.0	0.0	3.0
NORTH AMER MTG	N-NAM	4401	9.74	0.00	SEP	0.00	3.75	-6.3	0.0	0.0	0.0	-61.5	0.0	16.5
TMC MORTGAGE	O-TMG	800	-1.56	0.00	SEP	0.00	1.00	13.6	108.3	0.0	0.0	-0.0	-0.0	0.8
WACHOVIA RLTY	N-WRI	3335	10.37	0.00	NOV	0.00	4.25	-8.2	-5.6	0.0	0.0	-59.0	0.0	14.2
GROUP AVERAGE		2347	3.85	0.00		0.06	2.46	0.5	-1.0	41.0	0.0	-36.1	1.6	67.6
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)														
AMER REALTY	O-ARB	2222	2.66	0.00	SEP	0.29	2.50	25.0	115.5	8.6	0.0	-6.0	10.9	5.6
BAY COLONY PROP	N-BAY	2992	6.93	0.00	NOV	0.00	2.75	4.6	0.0	0.0	0.0	-60.3	0.0	8.2
C I REALTY #	N-CLX	2609	16.70	0.00	NOV	0.02	11.38	23.0	7.1	569.0	0.0	-31.9	0.1	29.7
CITIZENS GROWTH	O-CITGS	811	7.74	0.00	JUL	0.00	3.25	30.0	85.7	0.0	0.0	-58.0	0.0	2.6
FRANKLIN RLTY	A-FR	999	7.44	0.00	DEC	0.87	5.50	10.0	7.2	6.3	0.0	-26.1	11.7	5.5
SUMMIT PROP #	O-SMTS	1549	7.00	0.00	JUL	0.45	4.13	18.0	3.3	9.2	0.0	-41.0	6.4	6.4
US REALTY #	N-UTY	3434	4.03	0.00	SEP	0.48	5.13	5.1	5.1	10.7	0.0	27.3	11.9	17.6
WALTER RLTY #	O-WALJS	1035	8.38	0.00	OCT	0.00	5.13	-4.6	-2.3	0.0	0.0	-38.8	0.0	5.3
WISCONSIN REIT	O-WREIS	1514	5.39	0.00	SEP	0.09	3.88	0.0	0.0	43.1	0.0	-28.0	1.7	5.9
GROUP AVERAGE		1907	7.36	0.00		0.24	4.85	11.9	10.7	19.8	0.0	-34.1	3.3	86.8
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT														
BUILDERS INV	O-BULDS	2929	1.16	0.00	DEC	3.03	1.50	50.0	32.7	0.5	0.0	29.3	261.2	4.4
CAPITAL MTG	P-CMU	1675	-1.36	0.00	DEC	0.11	0.94	25.3	16.0	8.5	0.0	-0.0	-0.0	1.6
VJCONTINENTAL MTG	O-CMI	20838	-3.47	0.00	DEC	0.92	0.15	-16.7	-40.0	0.2	0.0	-0.0	-0.0	3.1
COUSINS M&E	N-CUZ	3854	1.17	0.00	NOV	0.00	1.38	-8.0	-8.0	0.0	0.0	17.9	0.0	5.3
DIVERSIFIED MTG	N-DMG	7327	5.51	0.00	DEC	2.81	2.50	0.0	-4.9	0.9	0.0	-54.6	51.0	18.3
VJDOMINION MGR	O-DMRTS	639	-10.83	0.00	NOV	0.00	0.50	100.0	100.0	0.0	0.0	-0.0	-0.0	0.3
VJFIDELITY MTG	O-FID	3046	-17.83	0.00	OCT	0.00	0.50	-20.6	11.1	0.0	0.0	-0.0	-0.0	1.5
FIRST MORTGAGE	O-FMTGS	8495	-6.35	0.00	JUL	0.17	0.44	0.0	-21.4	2.6	0.0	-0.0	-0.0	3.7
FIRST NEWPORT R	O-FNRIS	2339	4.11	0.00	OCT	0.00	1.50	8.7	4.2	0.0	0.0	-63.5	0.0	3.5
FIRST VIR REIT	O-FVM	1208	5.80	0.00	DEC	2.80	1.69	3.7	12.7	0.6	0.0	-70.9	48.3	2.0
VJGREAT AMER M&I	O-GAA	4456	-12.71	0.00	OCT	0.00	0.45	28.6	80.0	0.0	0.0	-0.0	-0.0	2.0
GUARDIAN MTG	P-GMI	3000	-13.48	0.00	NOV	0.00	0.81	28.6	28.6	0.0	0.0	-0.0	-0.0	2.4
HAMILTON INV	O-HAMTS	2095	5.63	0.00	SEP	0.20	1.88	0.0	0.0	9.4	0.0	-66.6	3.6	3.9
INSTITUTIONAL	N-INV	6074	4.40	0.00	OCT	0.00	1.88	0.0	-21.0	0.0	0.0	-57.3	0.0	11.4
KENTUCKY PROPTY	O-KMTGS	1100	1.62	0.00	AUG	0.00	1.25	10.6	25.0	0.0	0.0	-22.8	0.0	1.4
LINCOLN MTG*	O-LNMGS	1155	0.55	0.00	SEP	0.00	1.50	14.5	8.7	0.0	0.0	172.7	0.0	1.7
LMI INVESTORS	N-LME	2059	7.35	0.00	DEC	3.77	3.75	25.0	7.1	1.0	0.0	-49.0	51.3	7.7
VJMETROPLEX RLTY	O-JMI	1184	0.54	0.00	JUN	0.00	0.69	81.6	23.2	0.0	0.0	27.8	0.0	0.8
MTG INV WASH	O-MINVS	2146	5.74	0.00	DEC	0.00	2.38	0.0	-4.8	0.0	0.0	-58.5	0.0	5.1
NATIONAL MTG	O-NMF	3707	1.97	0.00	NOV	0.00	0.72	28.6	28.6	0.0	0.0	-63.5	0.0	2.7
NJB PRIME INV	O-NJB	1330	-5.05	0.00	AUG	0.34	0.52	48.6	67.7	1.5	0.0	-0.0	-0.0	0.7
PLAZA REALTY	O-PRIS	1114	1.34	0.00	SEP	0.00	0.94	6.8	0.0	0.0	0.0	-29.9	0.0	1.0
REPUBLIC MTG	N-RMI	2107	4.63	0.00	SEP	0.00	2.13	-5.3	-5.3	0.0	0.0	-54.0	0.0	4.5
TEXAS FIRST MTG	O-TFMR	1055	7.94	0.00	DEC	0.18	3.00	20.0	14.1	16.7	0.0	-62.2	2.3	3.2
TIERCO	O-TIERS	1161	5.33	0.00	SEP	0.98	1.25	-16.7	-16.7	1.3	0.0	-76.5	18.4	1.5
UMET TRUST	N-UAT	2109	-0.09	0.00	NOV	0.00	2.75	-4.5	-8.3	0.0	0.0	-0.0	-0.0	5.8
WESTPORT CO	O-WSPTS	2388	4.29	0.00	OCT	0.10	2.13	6.5	-5.3	21.3	0.0	-50.3	2.3	5.1
GROUP AVERAGE		3355	-0.08	0.00		0.57	1.45	8.3	2.9	2.5	0.0	-0.0	-0.0	104.6
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR														
AMER FLETCHER M	O-AFM	1352	-1.84	0.00	OCT	0.00	1.13	28.4	28.4	0.0	0.0	-0.0	-0.0	1.5
BARNETT MTG	O-BMT	2174	-10.57	0.00	SEP	0.00	0.75	41.5	50.0	0.0	0.0	-0.0	-0.0	1.6
BARNETT-WINSTON	O-BWITS	1663	-0.44	0.00	SEP	0.03	1.00	13.6	13.6	33.3	0.0	-0.0	-0.0	1.7
CAMERON-BROWN	N-CB	2016	7.90	0.00	SEP	0.00	2.63	0.0	0.0	0.0	0.0	-66.7	0.0	5.3
CHASE MAN MTG	N-CMR	4886	-0.27	0.00	NOV	0.00	1.63	-6.9	-13.3	0.0	0.0	-0.0	-0.0	8.0
CITINATL DEV	O-CITI6	600	13.15	0.00	SEP	0.04	6.00	-4.0	-4.0	150.0	0.0	-54.4	0.3	3.6
CITIZENS MTG	O-CZM	1421	-14.60	0.00	SEP	0.00	0.31	24.0	6.9	0.0	0.0	-0.0	-0.0	0.4
CITIZNS&SO RLTY	O-CZS	3829	-3.80	0.00	SEP	0.00	0.75	0.0	19.0	0.0	0.0	-0.0	-0.0	2.9
CLEVETRUST RLTY	O-CTRIS	2525	9.83	0.00	DEC	0.00	3.75	10.9	0.0	0.0	0.0	-61.9	0.0	9.5
FIDELCO GROWTH	A-FGI	1580	2.78	0.00	NOV	0.00	2.38	0.0	5.8	0.0	0.0	-14.4	0.0	3.8
FIRST DENVER MI	O-FDENS	1621	6.39	0.00	DEC	2.56	3.00	14.1	33.3	1.2	0.0	-53.1	40.1	4.9
FIRST MEMPHIS	O-FMEMS	1156	3.70	0.00	AUG	0.00	1.50	0.0	0.0	0.0	0.0	-59.5	0.0	1.7
FIRST PENN MTG	N-FPM	2961	2.01	0.00	OCT	0.00	1.50	0.0	-14.3	0.0	0.0	-25.4	0.0	4.4
FIRST WISCONSIN	O-FWMTS	1910	5.57	0.00	SEP	0.00	2.13	6.5	6.5	0.0	0.0	-61.8	0.0	4.1
INDEPENDENCE MT	O-IMTGS	2500	-4.01	0.00	SEP	0.00	0.66	4.8	0.0	0.0	0.0	-0.0	-0.0	1.7
MARYLAND REALTY	O-MDRTS	760	8.24	0.00	NOV	0.32	3.38	0.0	-3.4	10.6	0.0	-59.0	3.9	2.6
NW FINANCIAL IN	O-NFINS	1510	14.19	0.00	SEP	0.00	7.25	-6.5	-1.8	0.0	0.0	-48.9	0.0	10.9
TRI-SOUTH MTG	N-TSI	2260	2.71	0.00	DEC	0.00	1.75	16.7	16.7	0.0	0.0	-35.4	0.0	4.0
GROUP AVERAGE		2040	2.27	0.00		0.16	2.31	2.3	2.5	14.1	0.0	1.4	7.2	72.6
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS														
ATICO MTG	O-ACO	2706	5.68	0.00	JUL	0.00	2.00	-24.0	-24.0	0.0	0.0	-64.8	0.0	5.4
ATLANTA NATL	O-ATNAS	1273	8.81	0.00	NOV	0.00	3.75	3.3	10.9	0.0	0.0	-57.4	0.0	4.8
BARNES MTG INV	O-BARNS	1910	11.72	0.00	DEC	0.00	2.75	4.6	0.0	0.0	0.0	-76.5	0.0	5.3
CI MTG GROUP	P-CI	4812	-2.50	0.00	OCT	0.00	0.69	-8.0	0.0	0.0	0.0	-0.0	-0.0	3.3
GMR PROP	N-GMR	2210	3.34	0.00	NOV	0.00	1.88	-6.0	-11.7	0.0	0.0	-43.7	0.0	4.2
IDS REALTY	O-IDR	2409	-11.79	0.00	OCT	5.56	1.50	8.7	-10.7	0.3	0.0	-0.0	-0.0	3.6
STATE MUTUAL	N-SMU	2786	7.14	0.00	SEP	0.00	3.38	-6.9	-6.9	0.0	0.0	-52.7	0.0	9.4
GROUP AVERAGE		2587	3.20	0.00		0.79	2.28	-4.2	-5.6	2.9	0.0	-28.8	24.8	36.0

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	65.00	10.8	-2.2	13.65	2.63
AMER CENTY'B	NY	'91	6.75	28.00	65.13	10.4	-0.8	18.23	2.63
AMER REALTY	OC	'84f	7.00	10.40	46.00	15.2	0.0	4.78	2.50
BAIRD&WARNER	OC	'91	6.75	21.00	69.00	9.8	3.0	14.49	6.50
BANKAMERICA	OC	'90	6.75	21.00	82.00	8.2	2.5	17.22	10.50
BENEF STD MT	AS	'91f	6.50	27.75	48.25	13.5	0.5	13.38	1.63
CAPITAL MTG	OC	'91f	6.50	33.00	47.00	13.8	6.8	15.51	0.94
CHASE MANHTN	NY	'96	6.50	55.00	53.00	12.3	3.4	29.15	1.63
CHASE MANHTN	PC	'97	11.63	2.25	94.50	12.3	-3.5	2.12	1.63
COLWELL MTG	OC	'91f	6.50	29.38	30.00	VJ	-3.1	8.81	0.88
CONN GENERAL	NY	'96	6.00	32.50	74.00	8.1	1.0	24.05	19.88
CONTINTL MTG	OC	'90	6.25	19.79	14.00	VJ	27.3	2.77	0.15
EQUITBL LF M	NY	'90	6.75	26.25	91.00	7.4	-3.7	23.88	25.00
FIDELITY MI	OC	'85	7.75	21.25	15.00	VJ	87.5	3.18	0.50
FIRST PENN M	OC	'91	6.75	26.00	50.00	13.5	0.0	13.00	1.50
FIRST UNION	NY	'91	7.00	13.00	93.00	7.5	-4.6	12.09	12.50
FRANKLIN RLY	AS	'89	7.00	10.00	76.75	9.1	1.5	7.67	5.50
FST NEWPORT	OC	'91f	6.75	27.50	49.00	13.8	6.5	13.47	1.50
GRT AMER MI	OC	'91	7.00	35.50	7.00	VJ	16.7	2.48	0.45
HANOVER SQ R	AS	'92	7.25	21.00	74.13	9.8	0.0	15.56	5.38
HEITMAN MTG	AS	'92	7.50	14.70	63.50	11.8	-5.1	9.33	1.25
HOTEL INVSTR	OC	'90	7.75	21.00	80.00	9.7	-4.7	16.80	17.50
HOTEL INVTRS	OC	'91	7.50	25.25	73.00	10.3	-3.8	18.43	17.50
LINCOLN MTG	OC	'90	8.00	11.00	61.00	13.1	5.2	6.71	1.50
MASSMUTL MTG	NY	'90	6.75	21.00	84.50	8.0	0.3	17.74	13.75
MASSMUTUAL M	NY	'91	6.25	33.50	78.25	8.0	0.2	26.21	13.75
MIDLAND MTG	OC	'86	7.00	16.67	51.00	13.7	2.0	8.50	1.38
MONY MTG IN	NY	'90	7.00	11.00	88.50	7.9	-0.5	9.73	9.25
MTG INV WASH	OC	'90	8.00	15.00	62.00	12.9	0.0	9.30	2.38
NJB PRIME	OC	'91	6.75	21.00	23.00	DEF	15.0	4.83	0.52
NOWSTRN MUTL	NY	'91	6.00	21.00	77.63	7.7	-0.1	16.30	10.75
RAM PACIFIC	OC	'91	6.75	21.00	74.00	9.1	0.0	15.54	12.50
REALTY INCOM	AS	'91	8.00	18.00	79.38	10.1	-6.5	14.28	12.88
REPUBLIC MI	NY	'90	9.00	19.00	87.13	10.3	0.3	16.55	2.13
SAUL (BF) RL	OC	'91	6.50	23.00	64.00	10.2	3.2	14.72	4.13
SAUL(BF) REI	OC	'90	8.00	15.50	76.00	10.5	2.7	11.78	4.13
STATE MUTUAL	AS	'91	6.75	21.00	67.50	10.0	3.1	14.17	3.38
SUTRO MIT	NY	'82	6.75	20.00	84.00	8.0	0.0	16.80	8.38
SUTRO MTG	AS	'91	6.75	20.00	73.00	9.2	-3.8	14.60	8.38
TRI-SOUTH MI	OC	'92f	7.00	29.50	46.00	DEF	15.0	13.57	1.75
US BANCORP	AS	'92	7.00	26.25	77.00	9.1	1.3	20.21	11.25
US REALTY IN	NY	'89	5.75	20.20	64.13	9.0	-3.5	12.95	5.13
WESTPORT CO	OC	'91f	6.75	21.00	53.00	12.7	1.9	11.13	2.13

CONVERSION PARITY IS PRICE AT WHICH THE SHARES WOULD HAVE TO SELL TO JUSTIFY THE DEBENTURE PRICE. DEF-IN DEFAULT. f-TRADES FLAT, WITHOUT ACCRUED INTEREST. VJ-BANKRUPTCY REORGANIZATION.

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
AMER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.03	2.63	775.7	0.0	0.0
ATICO MTG IN	O-ACOW	12/79	563	15.00	1.0	0.13	2.00	656.5	-58.0	0.1
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.05	2.75	629.1	0.0	0.1
BENEF STD MT	A-BSNW	7/80	554	20.00	1.0	0.31	1.63	1146.0	24.0	0.2
CAPITAL MTG	O-CMORW	11/79	471	17.63	1.0	0.03	0.94	1778.7	0.0	0.0
FLATLEY RLTY	O-FLTLW	5/78	1000	10.00	1.0	0.25	2.75	272.7	0.0	0.3
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	0.50	16.00	28.1	-20.5	0.3
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.25	10.13	30.8	0.0	0.2
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.13	2.38	535.7	0.0	0.1
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.03	7.50	327.1	0.0	0.0
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.06	3.75	731.7	-53.7	0.0
REALTY REFUN	O-RRF5	8/78	328	23.00	1.0	0.13	21.13	9.5	0.0	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.06	2.13	841.8	0.0	0.1
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.75	15.50	66.1	-17.5	1.0
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.06	2.88	457.6	0.0	0.2
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	0.88	8.38	149.2	-6.3	0.6
SUTRO MTG IN	O-SUTR5	4/78	299	22.00	1.0	0.12	8.38	164.0	0.0	0.0
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.25	9.50	113.2	108.3	0.9

*DEBENTURES USABLE IN LIEU OF CASH

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "#" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "A". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

BARNETT MORTGAGE'S TENDER/EXCHANGE EXTENDED; FOLLOW UP ON COLWELL MORTGAGE

Barnett Mortgage Trust has extended its three-way cash tender/exchange offer until 5 p.m. Monday, Feb. 27 (the day this letter reaches you). BMT is offering holders of its 8½% convertible subordinated debentures and 6-3/4% subordinated debentures three options: 1) \$400 cash for the 8½s or \$300 cash for the 6-3/4s; or 2) 1,000 sh. of a new preferred with \$1,000 liquidation preference with the same conversion terms for the 8½s and no conversion for the 6-3/4s; or 3) \$1,000 principal of a new 2% subordinated debenture due 1988. BMT's extension offer said the purchase price of all tenders for cash exceeded the \$5.6 million cash available and the trust was seeking additional funds from its banks. The two issues have \$47.3 million principal outstanding.

The apparent attraction of the cash offer to holders squares with our perception, and any of the options are preferable to the bankruptcy alternative. Some Wall Street junk bond traders had been shunning the deal because they reason the 8½s will be worth 125% of par after Sept. 1, 1978, when they become convertible into shares at 80% of the average trading price on 10 days before that date. But the 125% of par looks like an illusion because as conversion time nears, the market quite obviously will mark down share prices to adjust for this dilution potential.

Meanwhile Colwell Mortgage Trust filed its Chapter XI bankruptcy plan in Los Angeles federal court Feb. 21 after a majority of notes and debentures approved it. The plan relates only to \$25 million of notes and \$1.9 million debentures; if the court approves, holders of the 8.2% notes would receive \$400 cash and 80 preferred shares, and the 6½% debentures would get \$340 cash and 80 preferred shares.

EARNINGS TRENDS: SOME DISAPPOINTING REPORTS SPRINKLE LATEST EARNINGS

Some disappointments tempered the generally good news of the latest earnings reports by real estate trusts. On balance the underlying good tone prevailed, although it's clear that pressure to produce rapid turnarounds is intense in some trusts. To clarify our tally of results for investors, you'll find the table on Page 8 revamped to separate results between qualified REITs and non-qualified business trusts. And we now show the dollar and share amounts of all special items in the table itself, again so you can get a fast picture of what's happening at each trust. The tally for 47 trusts reporting quarters ending October through January:

	Latest qtr.	Prev.qtr.	Year-ago	----% Change from-- Prev.qtr.	Yr.ago
Oper. income (loss) after prov.	\$(23.9)M	\$(26.4)M	\$(56.5)M	-10%	-58%
Extra items: Gain on asset sale.	1.7	5.6	2.0	-71	-15
Gain on asset exchanges.....	21.8	22.7	34.6	- 4	-37
Net oper. loss (NOL) benefit..	8.7	--	0.3	NC	NM
Inter. forgiven & debt exting..	15.4	--	11.0	NC	+40
Other (fidelity bond recovery).	3.5	--	0.8	NC	+345
Net extraordinary items.....	51.1M	28.4M	48.6M	+80%	+ 5%
NET INCOME (LOSS).....	\$27.2M	\$ 1.9M	\$(7.9)M	NM	NC

NM--Not meaningful. NC--Not calculated, loss in one quarter.

One large disappointment was the \$2.00/sh. loss reported by UMET Trust in the Nov. 1977 quarter, last of its fiscal year. The loss threw UMET into negative net worth by 9¢/sh. and caused replacement of Pres. Maurice E. McGrath with Michael T. Chulak, former executive vice president. UMET Chairman Sidney F. Brody and related interests hold 149,000 sh. or 7.1% obtained via swap of a shopping center into the trust when its shares sold at 26¼; thus impatience with running losses is un-

New Earnings Reports

Trust-Period ended	-Latest-Th.\$-	-Latest-EPS-	-Earnings/sh.-	-% Chng. From + -
Quarterly results:	Net inc./Spec. #	Net inc./Spec. #	Prev. Q	Yr. ago Q
Qualified trusts:				
Amer. Century...Dec...	d156	\$d0.13	\$d0.19	\$d0.21b
API Trust.....Dec...	d476/d450L	d0.47/d0.44L	d0.07a	0.05
Baird & Warner...Jan...	d612	d0.59	d0.03	0.03
BankAmer. Rlty...Jan...	643	0.18	1.41a	0.55a
BT Mortgage Inv.Dec...	d106	d0.05	d0.31	0.00
Central Mtg.6RLDec...	33	0.04	d0.15	d0.41
Cont. Ill. Rl...Dec...	1,844/4,2658	0.66/1.52S	1.31b	d0.14
Equit. Lf. Mtg...Jan...	2,700	0.48	0.48	0.59
Federal Rlty...Dec...	590	0.43	0.27	0.34
General Growth...Dec...	2,134/ 104G	0.34/0.02G	0.42a	0.28
Gould Inv. Tr...Dec...	432/ 188G	0.37/0.16G	0.07a	0.23
Hospital Mtg...Nov...	157/ 13G	0.13/0.01G	0.15	0.20
ICM Realty...Nov...	1,114/ 442G	0.37/0.15G	0.15	d3.72
Indiana M&R...Dec...	d 24	d0.02	+0.00	d2.55
JMB Realty...Nov...	235	0.46	0.89a	0.78a
Midland Mtg...Dec...	d221/1,116S	d0.07/0.47S	d0.04b	d0.49
Miller(Hen.S.)...Nov...	25	0.04	0.15	0.18a
Mission Inv...Nov...	d229	d0.13	d0.05	d0.30
Nationwide RE...Dec...	44	0.04	0.04	0.05
Property Cap...Jan...	625	0.30	0.30	0.30
Realty ReFund...Jan...	698	0.53	0.55	0.56
San Francisco R.Dec...	375/ 155R	0.27/0.11R	0.10	0.20
Saul (B.F.)REIT...d1,705		d0.29	d0.30	d0.44
Security Mtg...Dec...	d109	d0.02	d0.12	0.07c
Washington REIT...Dec...	730	0.48	0.38	0.40
Quarterly: Non-qualified trusts:				
Amer. Realty...Sept...	p503/ 466G	0.23/0.21G	d0.09	d0.23
Barnes Mtg...Dec...	d365/ 421G	d0.19/0.22G	d0.60	d0.31
Barnett Winst...Dec...	47/ 645S	0.03/0.39S	0.96b	d0.67a
Builders Inv...Dec...	8,889/9,238S	3.03/3.15S	0.54b	6.10b
Capital Mtg...Dec...	191/ 817S	0.11/0.49S	d1.78b	d0.78a
C.I. Mtg. Gr...Oct...	d7,248	d1.51	d0.39	d1.02b
Citizens Grow...Oct...	d 64/ 45S	d0.08/0.06S	d0.12	d2.11b
CleveTrust Rl...Dec...	d 18/ 414G	d0.01/0.16G	d0.69	d0.18
Diversified MI...Dec...	20,634/20896e	2.81/2.85e	d0.16b	d1.06b
Dominion M&R...Nov...	d154	d0.24	d0.50	d1.39
Fidelco Growth...Nov...	d6,218	d3.94	d2.33	d2.68
First Newport...Oct...	d1,828	d0.78	1.16b	+0.00
First Vir. Mtg...Dec...	3,442/3,557g	2.85/2.95g	0.06a	d0.51
Franklin Realty...Dec...	237/ 30G	0.24/0.03G	0.01	d0.05
LMI Investors...Dec...	7,620/8,255I	3.77/4.09I	d0.65	4.81c
Maryland Rlty...Nov...	62/ 24N	0.08/0.03N	0.05a	0.11a
Mtg. Inv. Wash...Dec...	d2,436	d1.14	d0.15	d0.35
National Mtg...Nov...	d 23/ 477S	d0.00/0.10S	0.03b	d0.33
Plaza Realty...Sept...	d259	d0.23	d0.21	d0.54
Texas Fir. Mtg...Dec...	191/ 172g	0.18/0.16g	d0.06	0.88b
UMET Trust...Nov...	d4,215	d2.00	d0.37a	d0.74
Walter Realty...Oct...	d346/ d43L	d0.33/d.04L	d1.70a	d0.30
Annual results: All trusts:				
Amer. Realty...Sept...	p 95/ 466G	0.04/0.21G	---	d1.71
Capital Mtg...Dec...	d3,453/2,538S	d2.06/1.52S	---	d0.68f
C.I. Mtg. Group...Oct...	d9,502/2,351S	d1.97/0.49S	---	d2.13f
Diversified MI...Dec...	17,813/31350f	2.43/4.28f	---	d3.60f
Federal Rlty...Dec...	1,759	1.29	---	1.16
Fidelco Growth...Nov...	d14,752	d9.34	---	d7.30
Fidelity Mtg...Oct...	2,889/1,445N	0.47/0.24N	---	d2.49
First Newport...Oct...	43,470/58064f	18.58/24.82f	---	d8.50
ICM Realty...Nov...	2,532/ 764G	0.84/0.25G	---	d8.50
JMB Realty...Aug...	1,322/ 384G	2.59/0.75G	---	1.58
Maryland Rlty...Nov...	166/ 64N	0.22/0.08N	---	d0.38f
Mission Inv...Nov...	d782	d0.43	---	d0.54
Realty ReFund...Jan...	2,750	2.27	---	2.15
San Fran. RE...Dec...	959/ 155R	0.70/0.11R	---	0.30
UMET Trust...Nov...	d7,390/ 271G	d3.50/0.13G	---	d5.05f
Washington REIT...Dec...	4,079/1,597G	2.72/1.06G	---	1.64

UC=Unchanged. NM=Not meaningful. R=Restated. P=Preliminary. D=Deficit.

#-Special items shown in both thousand dollars and share amounts as: G=Gain on sale of assets; L=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Gain on asset swaps with banks.

+ Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse." * Compared before special items.

a-Gains or losses on asset sales in results for previous and year-ago quarters:

API Trust, 15c/sh. in previous qtr.; BankAmerica Rlty., \$1.46 and 35c/sh. in previous and year-ago; Capital Mtg., 10c/sh. in year-ago; First Vir. Mtg., 8c/sh. gain in previous; General Growth, 1c/sh. gain in previous; Gould Inv., 4c/sh. loss in previous and 11c/sh. gain in year-ago; JMB Realty, 38c and 37c/sh. in prev. and year-ago; Maryland, 3c and 18c/sh. in previous and year-ago; Miller, 2c/sh. in year-ago; UMET, 13c/sh. in previous; Walter, 2c/sh. gain in previous.

b-Asset swap gains, tax benefits from net operating losses (NOL), and gains from early retirement of debt at discounts in previous and year-ago quarters:

Amer. Century, 16c/sh. in year-ago qtr.; Barnett-Winston, \$1.57 and 5c/sh. in previous and year-ago; Builders Inv., 39c loss and \$1.57/sh. gain in previous and year-ago; Capital Mtg., 4c/sh. in previous; C.I. Mtg., 17c/sh. in year-ago; Citizens Growth, 87c/sh. in year-ago; Cont. Ill. Rlty., \$1.31/sh. in previous; Diversified, 62c and 70c/sh. in previous and year-ago; First Newport, \$3.91/sh. in previous; Midland, \$1.44/sh. in previous; National, 10c/sh. in previous; Texas First, 91c/sh. swap and NOL in year-ago.

c-LMI Inv., \$4.81/sh. gain on debt restructuring in year-ago qtr.

d-Diversified, latest quarter includes \$5,136T swap gains, \$7,160T gain on extinguishment of bank debt at discount and \$8,600T net operating loss benefit, total \$20,896T or \$2.85/sh.

e-Annual results per share in previous year include: Capital, \$1.68/sh. gain on debt retirement; C.I. Mtg., 17c/sh. swap gains; Diversified, \$31,350T or \$4.28/sh. swap, debt extinguishment and NOL gains in latest year, and \$1.57/sh. swap gains in year-ago; First Newport, \$58,046T or \$24.82/sh. swap and debt restructuring gains in latest year; Maryland, 30c/sh. sale gain in year-ago; UMET, \$1.01/sh. interest forgiveness in year-ago.

f-First Vir. Mtg., \$3,500T recovery on fidelity bond and \$57T gain on asset sale or \$2.95/sh. in latest qtr.; Texas First, \$172T or 16c/sh. gains on swaps, NOL and asset sale in latest.

derstandable. UMET has a chance at cashing \$4.00/sh.-plus in interest forgiveness if it can repay banks another \$20 million by Aug. 1, 1979.

Other disappointments came at Fidelco Growth where additions to the loss reserve caused another \$3.94/sh. of red ink in the Nov. 1977 quarter, bringing fiscal year losses to \$9.34/sh.; and at Mtg. Inv. of Washington, where the loss widened substantially to \$1.14/sh. in the Dec. quarter, vs. only 15c/sh. in the previous quarter. And at Baird & Warner Mtg. the Jan. 1978 quarter loss widened to 59c/sh. from only 3c/sh. loss the previous quarter.

Level earnings or small declines were marked up at Equitable Life Mtg., even at 48c/sh. in the Jan. quarter as the spread narrowed a bit and funded mortgage loans fell off slightly; Realty ReFund earnings were off moderately to 53c/sh. as higher interest rates pinched the spread to its fixed-rate wrap-around mortgage loans; Hospital Mtg. earnings fell to 13c/sh., partly because of higher depreciation, and cash flow as calculated by the trust came in at 19c/sh. v. 24c/sh. the year before. HMG swapped a \$1.8 million participation in a nonearning mortgage loan, a 13% participation in a land development and \$550,000 cash for full ownership of a 119-acre parcel in suburban Houston. The swap eliminates trust minority participations in investments.

Good news surfaced at ICM Realty, where as strong operating results (coverage rents were up 33%) and a 15c/sh. gain on sale of a leaseback boosted earnings to 37c/sh. for the Nov. quarter and 84c/sh. for the Nov. year enabling the trust to resume dividends (see p. 3). Diversified

Mtg. posted a strong earnings surge on several special items amounting to \$2.85/sh. in the Dec. quarter and \$4.28/sh. in the Dec. year. Gains* included 98c/sh. in the Dec. quarter from buying some bank debt as a discount with a loan advanced by Continental Illinois Nat. Bank of Chicago.